

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

M/s. Velankani Renewable Energy Private Limited, Bangalore – Establishment of Multi Product Silicon Complex at Andhra Pradesh Special Economic Zone, Actutapuram, Visakhapatnam for production of Polysilicon, Chlorosilanes and Photovoltaic cells and Modules – Allotment of land and extension of certain incentives /concessions – Sanctioned – Orders – Issued.

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INDUSTRIES AND COMMERCE (INF) DEPARTMENT

G.O.MS.No. 240

Dated: 29-08-2008
Read the following:

Proposal from the Chief Executive Officer & Managing Director,
M/s. Velankani Renewable Energy Private Limited, Bangalore,
Lr.No. VREPL/GoAP/09, dt. 27.6.08.

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ORDER :

The Chief Executive Officer and Managing Director, M/s. Velankani Renewable Energy Private Limited, Bangalore in the reference read above has informed Government that the Velankani Group was founded in the year 1985 with Corporate Head quarters in Piscataway, New Jersey, and Technology Campus in Bangalore, India. The Velankani is a technology company with more than 2 decades experience in Engineering and consulting service focused on providing full product life cycle development and support of enterprise carrier grade products for the telecommunications industry and has established expertise by working with telecommunications equipment manufacturers and service providers. The Velankani Group is well experienced in many kinds of infrastructure projects like IT parks, Hotels and Electronics Hardware manufacturing industries and Special Economic Zones. The Velankani Group consisting the companies of Velankani Software systems (2) Viteos (3) Velankani Renewable Energy Company (4) VISPL (5) Velankani Technology Park Private Limited (6) Velankani IT Park and (7) Velankani Infrastructure & Projects with a net-worth of about Rs.2400 crores.

2, The Velankani Group has proposed to set up an Integrated Silicon Chemical complex at the Andhra Pradesh Special Economic Zone, Actutapuram, Visakhapatnam for production of Polysilicon, Chlorosilanes and Photovoltaic cells and Modules with an initial investment of Rs.450 crores to be increased up to Rs.14000 crores in a phased manner, through the company by name and style M/s. Velankani Renewable Energy Private Limited duly incorporated under the Companies Act, 1956. The Group company has proposed to provide direct employment for about 10000 people and indirect employment for about 15000 people.

3. The company has submitted proposal with project report to Government and requested to provide the following for their proposed unit at Actutapuram, Visakhapatnam.

1. To allot 230 acres land in the first two phases of the project.
2. 600 MW power supply during construction and operational stages.
3. 20 MLD of water required over a 7-year period.
4. Road connectivity to the High Ways.
5. Railway and Air connectivity
6. All clearances with single window mechanism
7. Incentives under Semi conductor policy of Government of India.
8. Special Economic Zone benefits like Income Tax Holidays on Business income, exemption from import duty, VAT and other taxes etc.

4. The Group company has given a power point presentation on the proposed Multi Product Silicon Complex at Andhra Pradesh Special Economic Zone, Actutapuram, Visakhapatnam.

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5. The Government of Andhra Pradesh is poised for industrial growth in the State and inviting experiences for industrial development in the State for providing employment, attracting investment and developing infrastructure of the State. Accordingly the Government of Andhra Pradesh has entered into a Memorandum of Understanding on 27-6-08 with M/s. Velankani Renewable Energy Private Limited, Bangalore for setting up the Multi Product Silicon Complex at Andhra Pradesh Special Economic Zone, Actutapuram, Visakhapatnam for production of Polysilicon, Chlorosilanes and Photovoltaic cells and Modules.

6. The Government of Andhra Pradesh hereby approves and sets out below the obligations arising out of the execution of the Memorandum of Understanding cast on M/s. Velankani Renewable Energy Private Limited, Bangalore and the Government of Andhra Pradesh.

Obligations of M/s. Velankani Renewable Energy Private Limited, Bangalore:

1. M/s. Velankani Renewable Energy Private Limited, Bangalore shall invest initially about Rs.450 crores and increased the investment up to Rs.14000 crores in a phased manner as detailed below:

- (a) Phase-I: An amount of Rs. 450. 55 crores shall be invested in the project within 18 months from the date of allotment of land in order to produce the following:

Polysilicon	..	1000 (TPA)
Silicon tetrachloride	..	2500 (TPA)
Ethyl silicate	..	1000 (TPA)

- (b) Phase-II : An amount of Rs. 533.94 crores shall be invested in the project within 14 months soon after completion of the phase-I in order to produce the following:

Polysilicon	..	2000 (TPA)
Silicon tetrachloride	..	2500 (TPA)
Ethyl silicate	..	500 (TPA)
Caustic Chlorine		50 (TPD)

- (c) There after, the company has to invest Rs. 12,26,17,000 crores in the project in a phased manner over a span of 5-7 years to produce the following:

Product	Phase-III	Phase-IV	Phase-V
Polysilicon (in TPA)	3000	4500	4500
Silicon tetrachloride (in TPA)	2000	2000	2000
Ethyl silicate (in TPA)	500	500	500
Caustic chlorine (in TPD)	-	50	-
Wafers (in MW)	-	-	1,500
Cells (In MW)	-	-	1,500
Modules (In MW)	-	-	1.500

2. The company shall provide direct employment for about 10000 persons and indirect employment for about 15000 people.

Obligations of Government of Andhra Pradesh:

1. To allot and transfer about 140 acres land initially and reserve another 80 acres of contiguous land for the future expansion in Andhra Pradesh Special Economic Zone in Actutapuram, Viskahpatnam developed by the Andhra Pradesh Industrial Infrastructure Corporation Limited.
2. The land value is at Rs.20 lakhs per acre excluding developmental charges.

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3. The Velankani Renewable Energy Private Limited, Bangalore shall use the land for setting up of Integrated Silicon Chemical Unit in the Special Economic Zone.
4. To provide 20 MLD water in phases over the next 7 years through VIWSCO/ APIIC at Rs.30/-per KL.
5. Power charges shall be reimbursed for a period of 5 years from the date of commencement of commercial production at Rs.0.75 ps., per unit on the power tariff as on 1.4.05 as per IIPP – 2005 – 10. Subject to a maximum of 25 MW.

Fiscal incentives:

6. Reimbursement of 25% of VAT paid for a period of 5 years from the date of commencement of commercial production as per the IIPP - 2005-10.
7. Exemption from stamp duty for registration of land.
7. In the event of failure in meeting the obligations set out on the company, would result in review of the incentives extended.
8. The Chairman & Managing Director, Andhra Pradesh Industrial Infrastructure Corporation Limited is requested to take action accordingly.
9. This order issues with the concurrence of Finance Department vide their U.O.No. 7344/425/Exp.I&C/08, dated 12.8.2008.
10. Copy of this order is available on Internet and can be accessed at address <http://www.ap.gov.in/goir>.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

B. SAM BOB
PRINCIPAL SECRETARY TO GOVERNMENT AND
COMMISSIONER FOR INDUSTRIAL PROMOTION

To
The Chairman & Managing Director,
A. P Industrial Infrastructure Corporation Limited, Hyderabad.
M/s. Velankani Renewable Energy Private Limited,
43, Electronics city, Hosur Road, Bangalore - 560 100.
FAX No.91 8066145808.
The Commissioner of Industries, Hyderabad.
The Accountant General, Andhra Pradesh, Hyderabad.
Copy to:
PS to Minister for Major Industries.
PS to Principal Secretary to Chief Minister.
PS to Chief Secretary to Government.
PS to Special Chief Secretary to Government, Energy Department.
PS to Principal Secretary to Government,
Irrigation & Command Area Development Department.
PS to Principal Secretary to Government,
Municipal Administration & Urban Development Department..
The Finance (Expr.I&C) Department.
PS to Principal Secretary to Government & CIP., Industries & Commerce Department.
Sf/sc,

// FORWARDED :: BY ORDER//

SECTION OFFICER